IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 3075 of 2007

Date of decision: 12.11.2007

Raghubir Singh

..... Petitioner

Versus

Haryana Financial Corporation and others

.....Respondents

Coram: Hon'ble Mr. Justice M.M.Kumar
Hon'ble Mr. Justice Ajay Kumar Mittal

Present: Mr. Vinod Gupta, Advocate,
for the petitioner.

Mr. Puneet Gupta, Advocate,
for the respondents.

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M.M.Kumar, J.

The prayer made by the petitioner in the instant petition is that a direction be issued to the respondents to charge the settlement amount as per the settlement Scheme after deducting the amount paid by the petitioner subsequent to 1.3.2004 and to charge the interest as per the policy @ 10.5% per annum from 31.3.2002, when the account of the petitioner unit was declared as Non Performing Assets (NPA) classified as sub standard and not from 1.3.2004.

In the written statement filed by the respondents, it has been categorically asserted that the amount has been calculated and interest is being charged strictly as per the NPA Policy . According to the policy, the account of the borrower was substandard as on 31.03.2002 and the minimum amount that should be recovered classified as sub-standard as on 31.03.2002 which became doubtful or loss subsequently would be 100% of the amount outstanding as on date on which the account has been categorised as doubtful NPA plus simple interest @ 10.5% per annum from the cut off date till final payment. The relevant provisions of

the NPA Policy have also been reproduced.

There is no replication filed by the petitioner to the aforementioned assertion made by the respondents.

After hearing learned counsel for the parties, we are of the considered view that no interference of this Court would be warranted because the NPA Policy appears to have two parts, namely, all NPA accounts which have become doubtful or loss as on 31.03.2002 and the accounts classifed as sub-standard as on 31.03.2002, which have subsequently become doubtful or loss. The case of the petitioner falls in the latter category and, accordingly, the benefit of the NPA Scheme has been granted to the petitioner as an amount of Rs. 12,37,705/- was waived. Even otherwise, we have in a Division Bench judgment held that these type of Schemes lack statutory character so as to confer a legal right on the petitioner with a corresponding legal duty on the respondents. Therefore, the implementation of such schemes cannot be sought by the process of mandamus. In that regard reference may be made to the judgment passed on 30.10.2007 in CWP No. 1152 of 2007 (Knittex Overseas Pvt. Ltd. vs. State Bank of Patiala and others).

In view of the above, we find no merit in the petition and the same is dismissed.

However, learned counsel for the Corporation after obtaining instructions from Mr. Ashok Pahwa, Deputy Manager (Legal), H.F.C. States that the settlement reached between the petitioner and the Corporation has not been cancelled and it could have been enforced till 08.10.2007. The period could be extended by three months at the discretion of the Managing Director of the Corporation which would keep the settlement alive upto 08.01.2008. He further states that the petitioner may deposit the settlement amount along with interest on or before 31.12.2007 and no

objection with regard to delay would be raised.

(M.M.KUMAR)
JUDGE

(AJAY KUMAR MITTAL)
JUDGE

November 12, 2007
pj